

NISSHA

Financial Results
for FY2024.12

February 13, 2025

Junya Suzuki

Chairman of the Board and Group CEO

Nissha Co., Ltd.

Contents

- FY2024 Results
- Progress of the 8th Medium-term Business Plan (2024-2026)
(Business Portfolio Management to Enhance Corporate Value)
 - FY2025 Plan

Highlights

FY2024 Results

- Tailwinds
 - Increased in net sales and profit YoY in all businesses, demand recovered and profitability improved
 - Industrial Materials: Steady demand for decoration (mobility, home appliances), demand recovered for sustainable materials
 - Devices: Demand recovered for tablet devices and handheld terminals
 - Medical Technologies: Growth continued in medical devices (CDMO), the acquired companies contribute to the result
- Headwinds
 - Devices: Tablets saw a sharp year-on-year recovery in H1, but high-end models experienced a reactionary fall in H2

Topics

- Business expansion in the domestic medical market: Acquisition of Shigaken Pharm. Ind. Co., Ltd. (OTC pharmaceutical CDMO)
- Issued unsecured bonds in amount of 9.0 billion yen

FY2024 (Full-year) Results

(Millions of JPY)

	2023 Results	2024 Results	YoY
Net sales	167,726	195,598	+16.6%
Industrial Materials	68,762	74,090	+7.7%
Devices	54,862	67,542	+23.1%
Medical Technologies	36,011	45,622	✓ +26.7%
Others	8,088	8,343	+3.2%
Operating profit	* -3,817	5,486	Turn positive
Operating profit margin	-2.3%	2.8%	+5.1pt
Industrial Materials	* 93	4,900	+5,131.3%
Devices	-1,580	1,798	Turn positive
Medical Technologies	1,493	2,388	✓ +60.0%
Others	-3,823	-3,600	-
Profit before tax	-2,762	6,213	Turn positive
Profit attributable to owners of parent	-2,988	3,862	Turn positive
Forex (Average)	¥138/\$	¥149/\$	-

FY2024 Q4 (3 months) Results

(Millions of JPY)

	2023 Q4 Results	2024 Q3 Results	2024 Q4 Results	YoY	QoQ
Net sales	43,840	48,740	47,196	+7.7%	-3.2%
Industrial Materials	17,729	18,094	18,776	+5.9%	+3.8%
Devices	13,877	17,106	14,161	+2.0%	✓ -17.2%
Medical Technologies	9,755	11,613	11,984	+22.8%	+3.2%
Others	2,478	1,926	2,274	-8.2%	+18.1%
Operating profit	*1 -3,403	1,638	-417	-	-
Operating profit margin	-7.8%	3.4%	-0.9%	+6.9pt	-4.3pt
Industrial Materials	*1 -1,811	1,195	1,006	Turn positive	-15.8%
Devices	-54	921	✓ -996	-	-
Medical Technologies	185	810	549	+196.8%	-32.2%
Others	-1,722	-1,287	-977	-	-
Profit before tax	-3,761	-708	*2 934	Turn positive	Turn positive
Profit attributable to owners of parent	-3,564	-4	*2 -370	-	-
Forex (Average)	¥148/\$	¥153/\$	¥148/\$	-	-
Forex (End of period)	¥142/\$	¥143/\$	¥158/\$	-	-

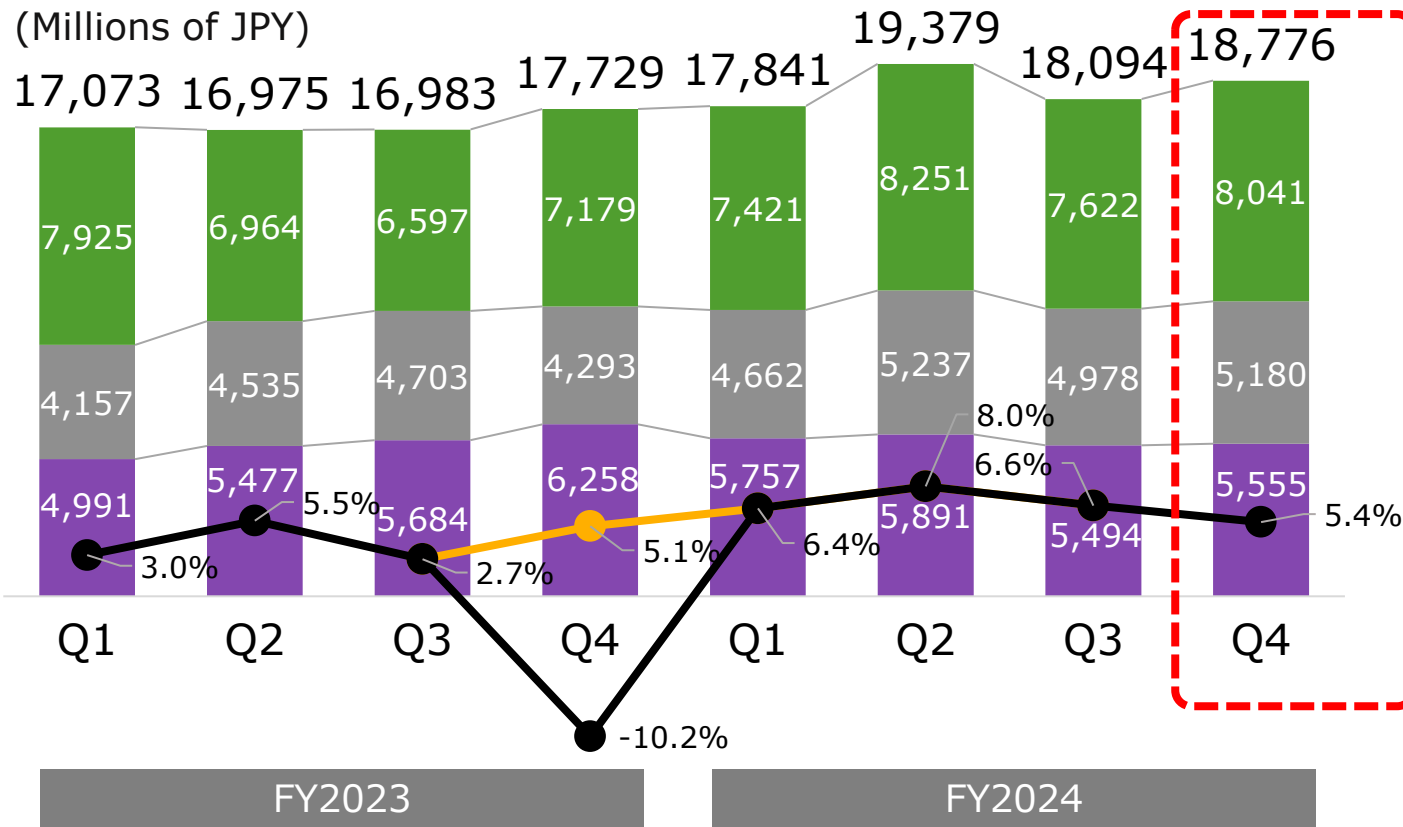
*1 Impairment loss -2.7 billion yen included

*2 Foreign exchange gain +1.5 billion yen included

Industrial Materials: FY2024 Q4 (3 months) Results

Quarterly net sales and operating profit margin

- Sustainable Materials (Metallized paper and others)
- Decoration (Home appliances and others)
- Decoration (Mobility)
- Operating profit margin (excluding impairment loss)
- Operating profit margin (excluding impairment loss)



● Net sales

- Decoration: Remained firm
- Sustainable Materials (Metallize paper): Steady demand

● Operating profit

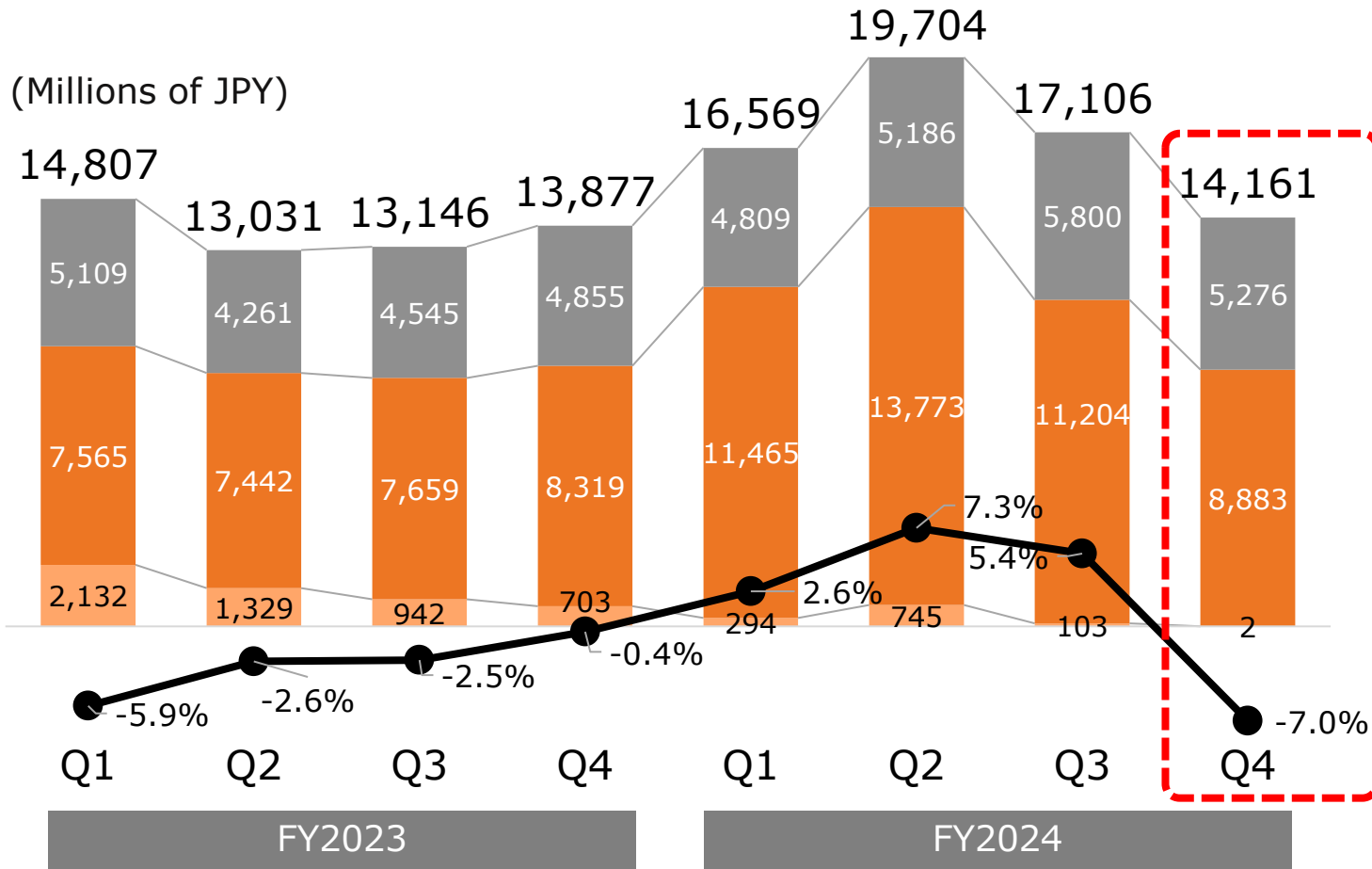
- QoQ -200 million yen
- Recorded temporary costs for acquisition, etc. (-200 million yen)

Devices: FY2024 Q4 (3 months) Results

Quarterly net sales and operating profit margin

- Gaming devices, Handheld terminals (logistics related), Mobility, Gas sensors and others
- Tablet devices ■ Smartphones ● Operating profit margin

(Millions of JPY)



● Net sales

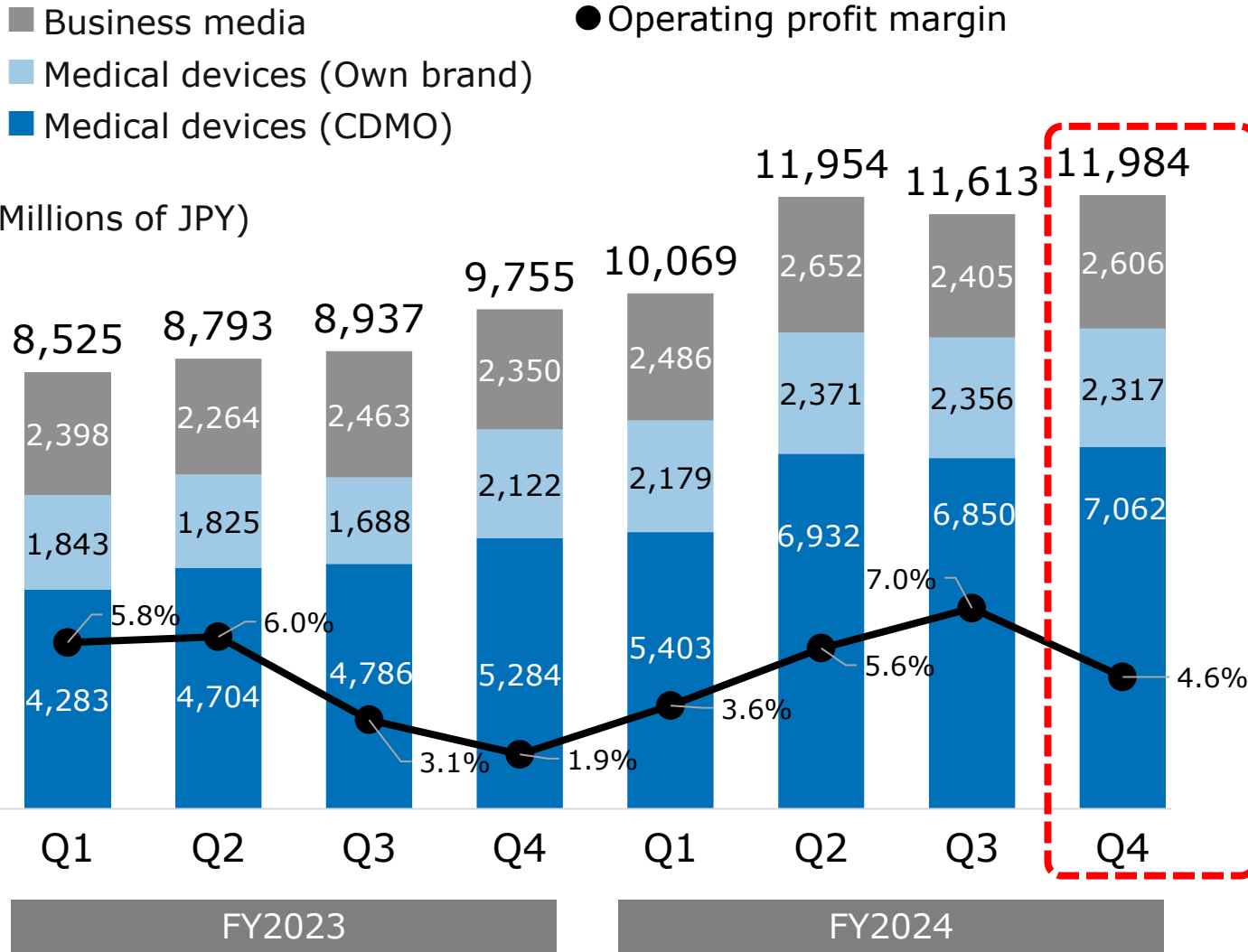
- Tablet devices: Reactionary fall in high-end models continued
- Gaming devices: Demand decreased
- Handheld terminals: Steady demand

● Operating profit

- QoQ -1,900 million yen
 - Decrease in profit due to demand decline (-1,000 million yen)
 - Decrease in profit due to lower operation (-200 million yen)
 - Inventory disposal (-700 million yen)

Medical Technologies: 2024 Q4 (3 months) Results

Quarterly net sales and operating profit margin



- Net sales
 - Medical devices CDMO: Strong demand
- Operating profit
 - QoQ -250 million yen
 - Medical devices CDMO: Increase in profit due to demand increase (+100 million yen)
 - Own brand: Unfavorable product mix (-50 million yen)
 - Temporary cost (-300 million yen)
 - R&D costs increased in investing company (EndoTheia)
 - M&A related costs
 - Temporary performance based rewards
 - Recorded the amortization expense retroactively from 2024Q1 due to the PPA* to the acquired company (annual 250 million yen)

Progress of the 8th Medium-term Business Plan (2024-2026) (Business Portfolio Management to Enhance Corporate Value)

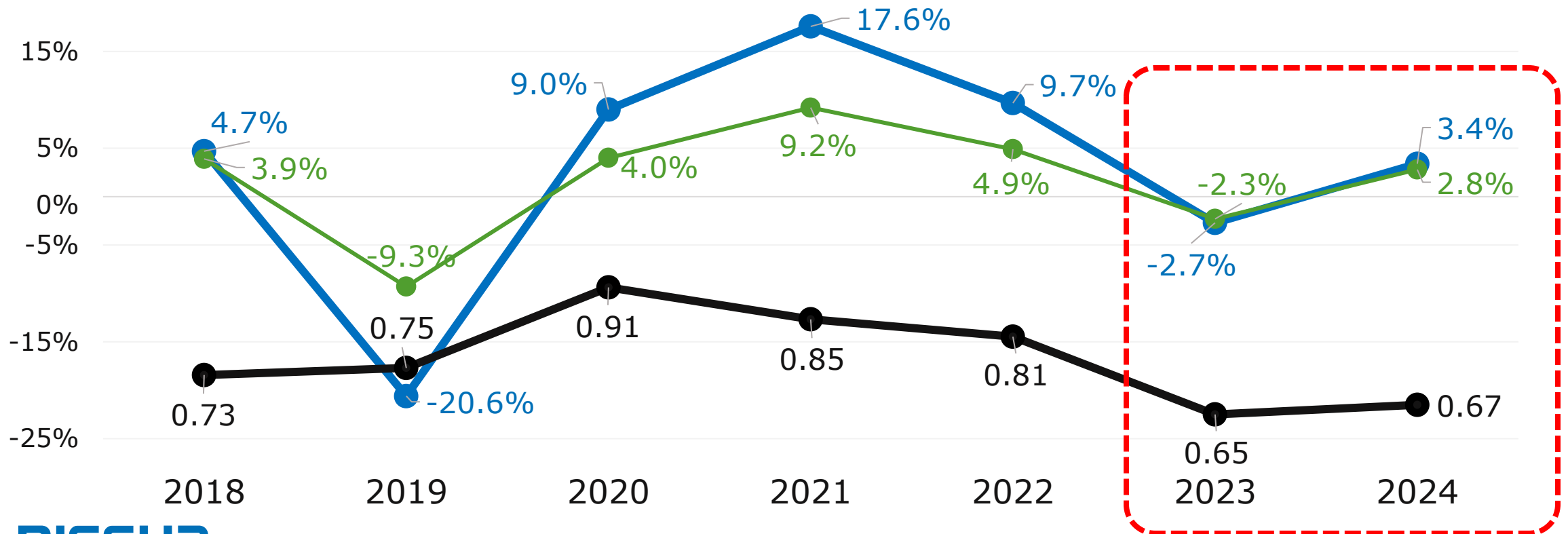
FY2025 Plan

PBR (PER×ROE) Analysis (FY2024)

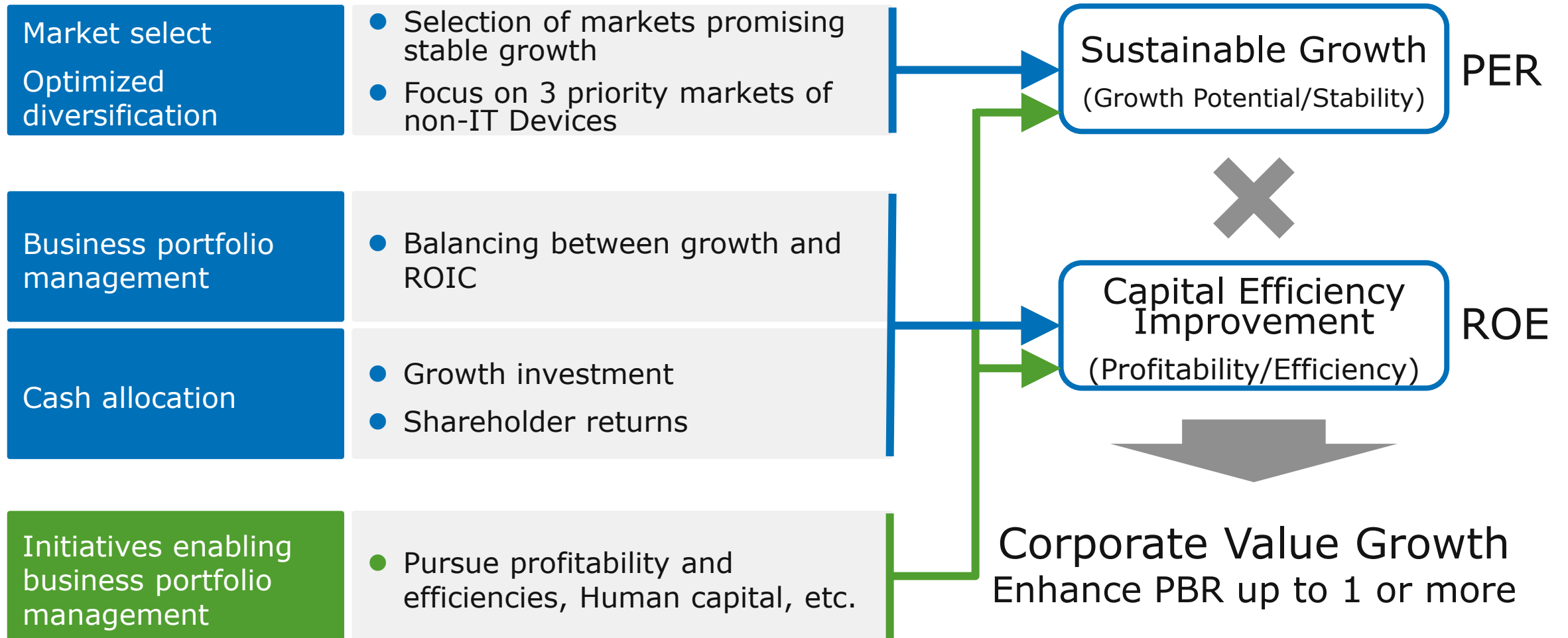
- PBR: Remains low
- ROE (Profitability/Efficiency): Improved but profitability (operating profit) is low and below the shareholder capital cost (6-8%*)

*Calculated by CAPM

● ROE (left axis) ● Operating profit margin (left axis) ● PBR (times)



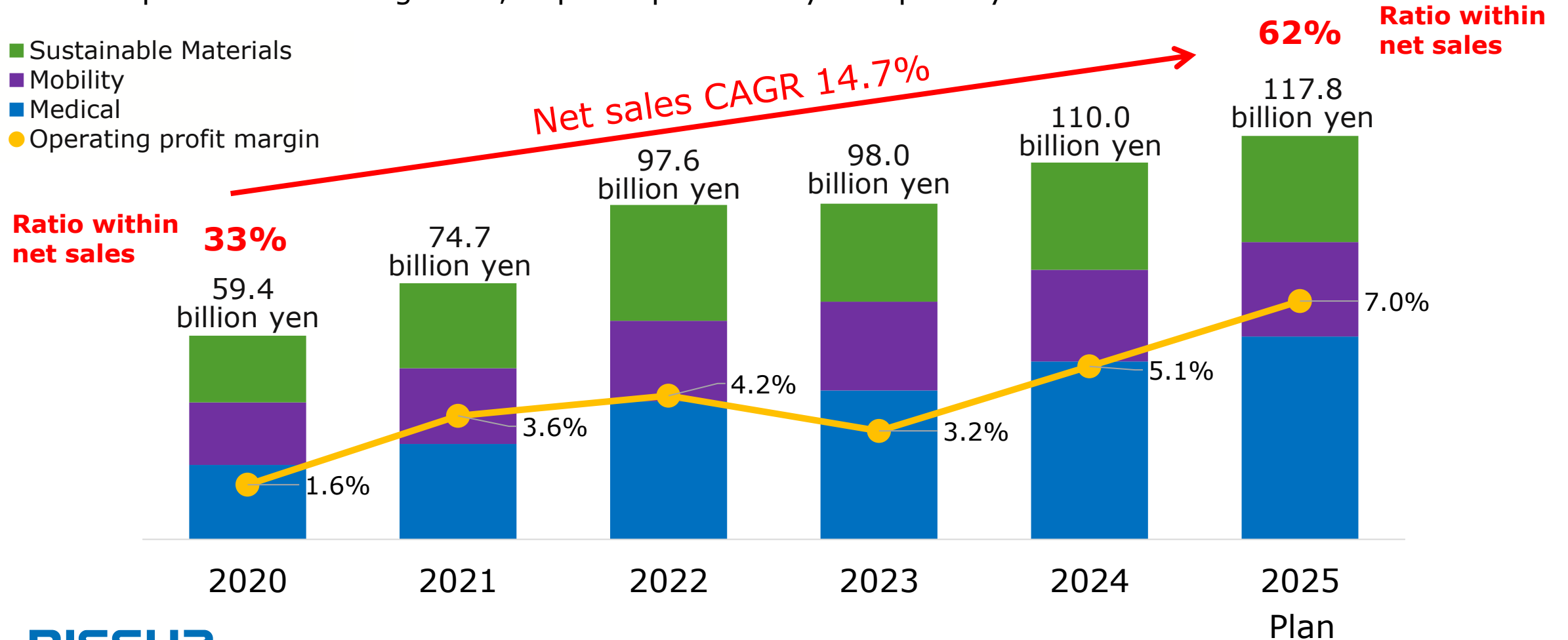
Corporate value growth through sustainable growth and capital efficiency



Business growth, profitability improvement in 3 priority markets (non-IT Devices)

- FY2024 results: Business in medical continued to grow, demand for sustainable materials recovered
- FY2025 plan: Accelerate growth, improve profitability in 3 priority markets

- Sustainable Materials
- Mobility
- Medical
- Operating profit margin



FY2024: Expanded businesses in medical market

Companywide efforts to be taken to tackle the medical market (medical devices, pharmaceuticals, and healthcare products)

Medical Devices CDMO

Net sales growth
+9.4%
(Local currency basis)

- Growing market
- Strong demand continued for minimally invasive surgical devices, medical wearable sensors, etc.

Injection molding CDMO for Medical Devices

Acquisition of Cathtek



- Net sales 1.3 billion yen*1
- Injection molded parts for catheter tube
- Contribution to medical business in Industrial Materials

Medical Devices CDMO

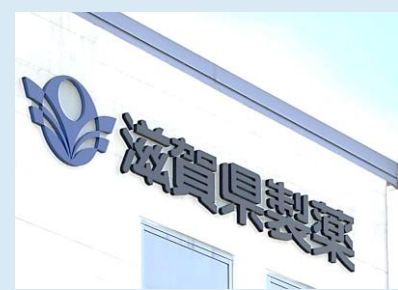
Acquisition of Isometric



- Net sales 4.5 billion yen*1
- Micro molding
- Contribution to device miniaturization for minimal invasive treatment and robotic assistant surgery

Pharmaceutical CDMO

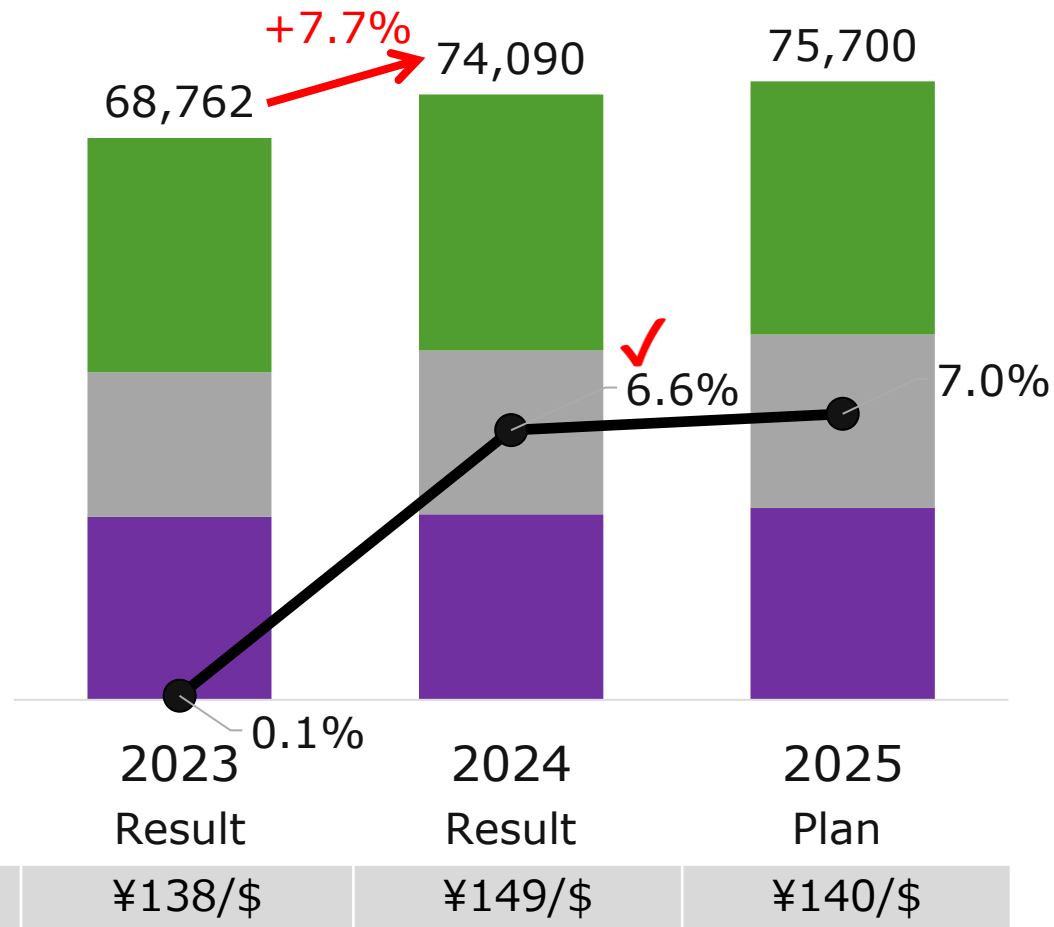
Acquisition of Shigaken Pharm



- Net sales 5.0 billion yen*1
- Specialized for OTC drugs
- Increased business opportunities, such as switch OTC and self-medication

Industrial Materials

■ Net sales (■ Sustainable Materials (Metallized paper and others) ■ Decoration (Home appliances and others) ■ Decoration (Mobility)) (Millions of JPY)
● Operating profit margin



2024

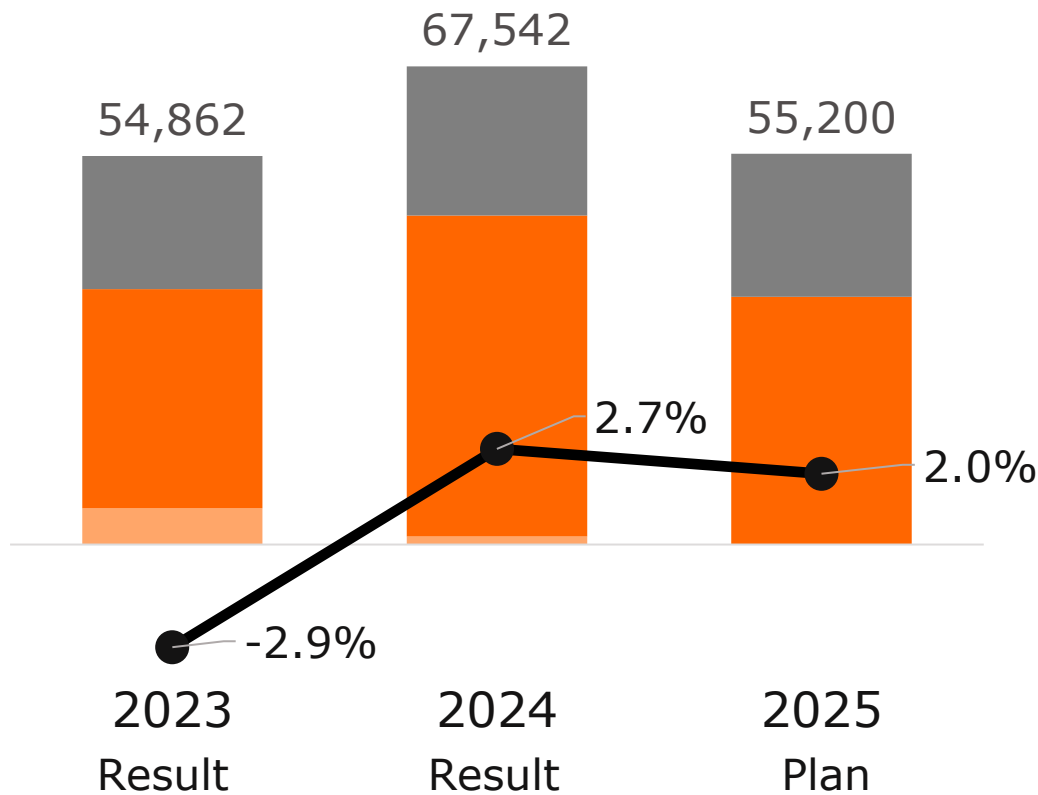
- Decoration: Steady demand for both mobility and home appliance
- Sustainable Materials: Demand recovered
- Profitability improved significantly
- Acquisition of Cathtek (injection molding for medical devices) (October 2024)

Outlook for 2025 / Increase in net sales and profit

- Decoration: Steady demand continues, with contribution of Cathtek throughout the year.
- Mass production start for mobility exterior (Q4)
- Sustainable Materials: Stable demand expected

Devices

■ Net sales (■ Gaming devices, Handheld terminals (logistics related), Mobility, Gas sensors and others (Tablet devices ■ Smartphones) (Millions of JPY)
● Operating profit margin



Forex	2023	2024	2025
	¥138/\$	¥149/\$	¥140/\$

2024

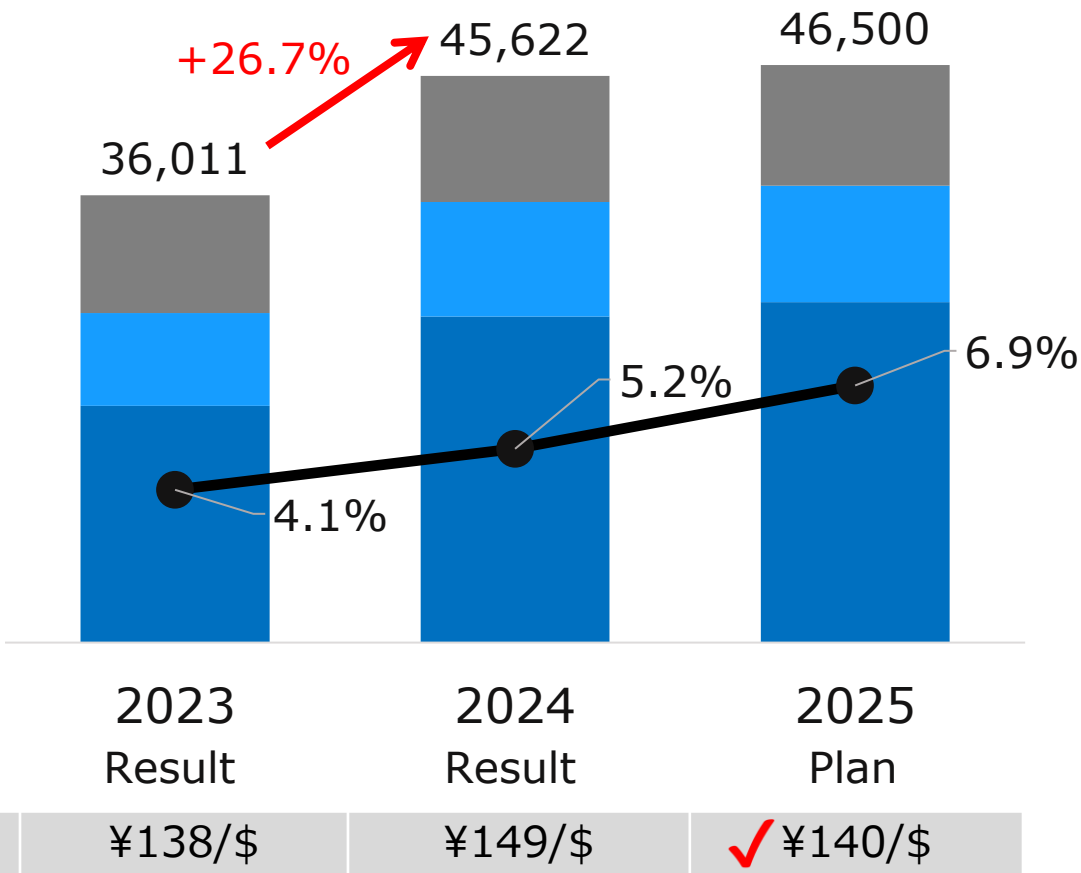
- Tablet devices
 - Demand recovered from 2023
 - Reactionary fall on high-end models in H2
- Demand recovered for handheld terminals

Outlook for 2025 / Decline in net sales and profit

- Tablet devices
 - Reactionary fall in high-end models will continue
- Pursuit for profitability (from January 2025)
 - Responding to declining demand, production for touch sensors to shift from two factories to one
 - Fixed costs to be reduced by 2.0 billion yen

Medical Technologies

- Net sales (■ Business media)
- Medical devices (Own brand)
- Medical devices (CDMO) (Millions of JPY)
- Operating profit margin



2024

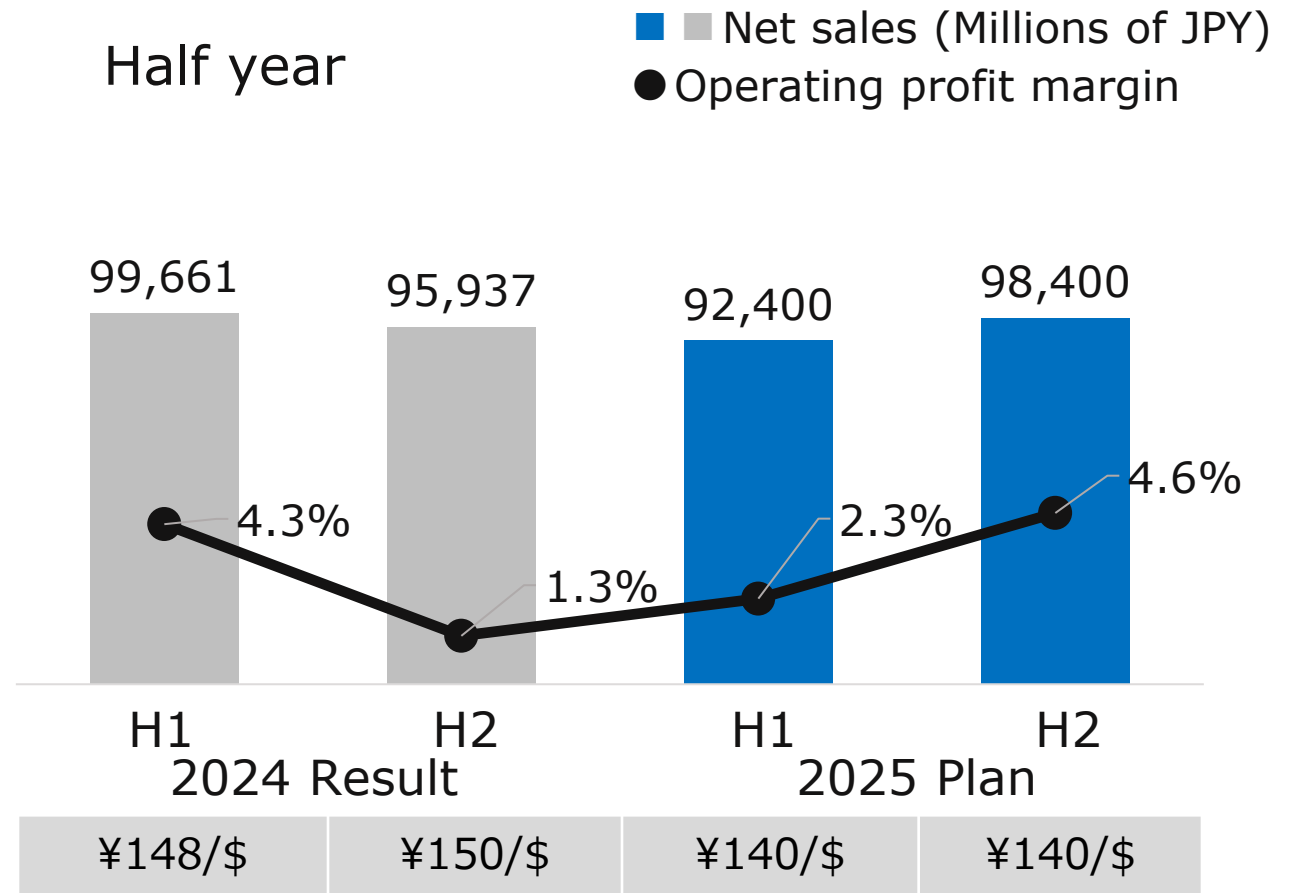
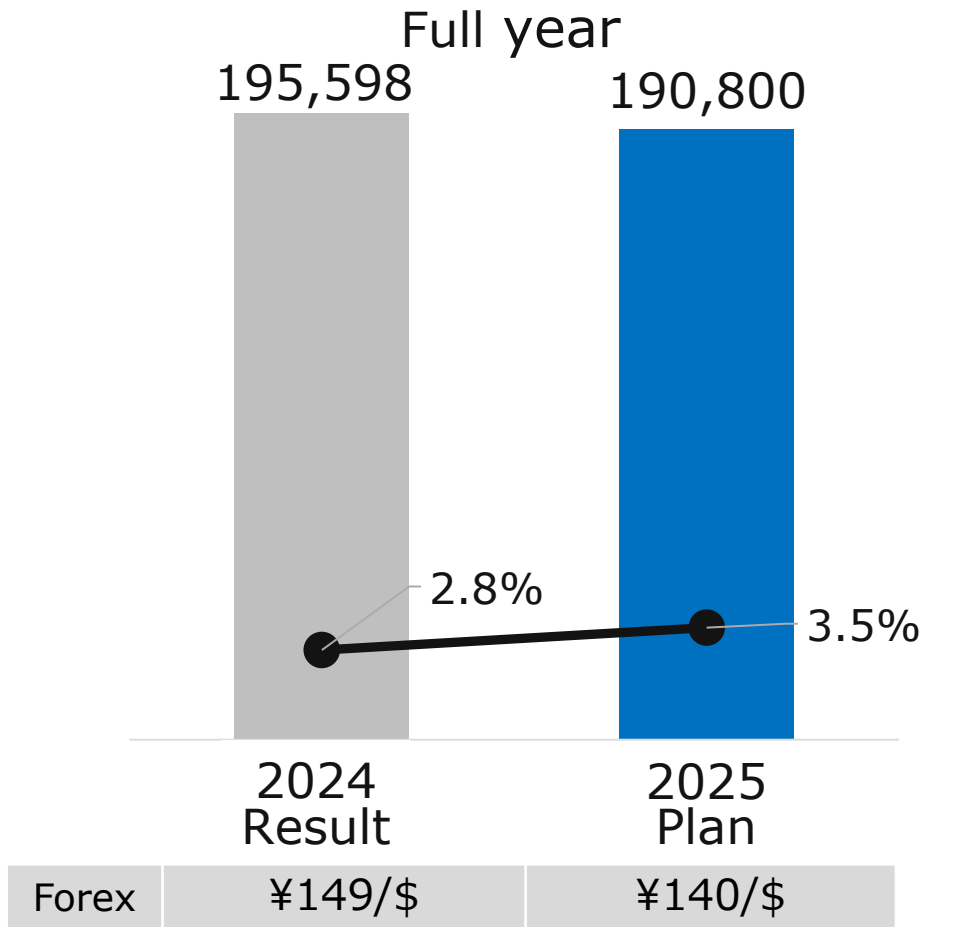
- Strong demand, improved profitability
- Acquisition of Isometric (micro molding for medical devices) (March 2024)

Outlook for 2025 / Increase in net sales and profit

- Growth continue
- Medical devices CDMO will grow by +11% (local currency basis)
- Profitability to be improved due to the demand increase and temporary cost decrease (M&A cost, etc.)

FY2025 Plan

- H1: Weak demand for tablet devices, and steady demand for Industrial Materials and Medical Technologies
- H2: Profitability improvement with demand recovery



FY2025 Plan

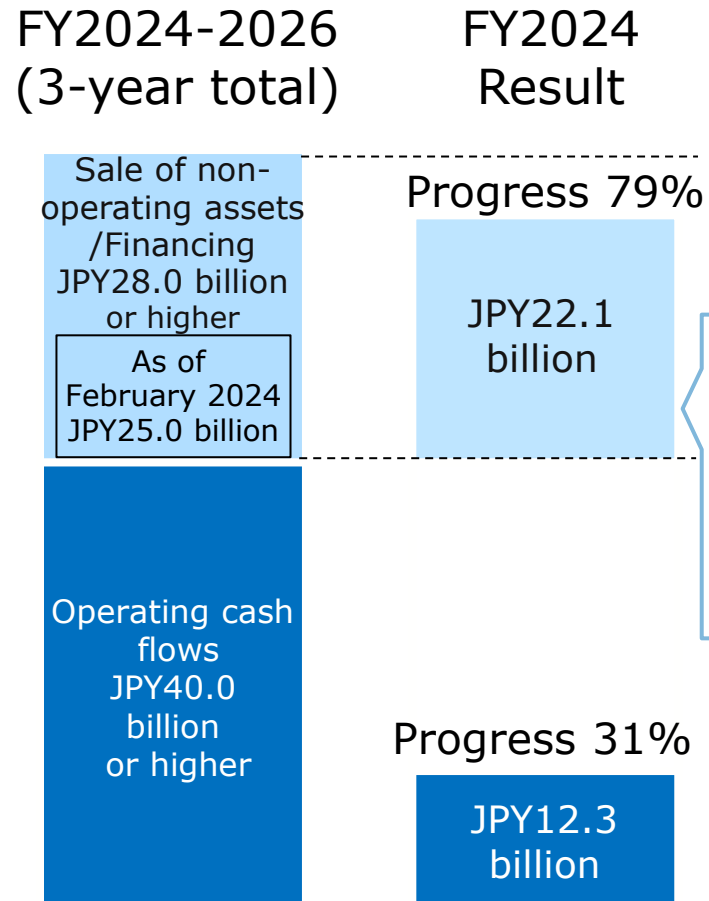
- Increase in net sales and profit in Industrial Materials and Medical Technologies

(Millions of JPY)

	2024 Full-year Results	2025 Full-year Plan	H1 Plan	H2 Plan	YoY
Net sales	195,598	190,800	92,400	98,400	-2.5%
Industrial Materials	74,090	75,700	37,400	38,300	+2.2%
Devices	67,542	55,200	25,600	29,600	✓ -18.3%
Medical Technologies	45,622	46,500	22,800	23,700	+1.9%
Others	8,343	13,400	6,600	6,800	+60.6%
Operating profit	5,486	6,600	2,100	4,500	+20.3%
Operating profit margin	2.8%	3.5%	2.3%	4.6%	+0.7pt
Industrial Materials	4,900	5,300	2,400	2,900	+8.1%
Devices	1,798	1,100	0	1,100	✓ -38.8%
Medical Technologies	2,388	3,200	1,500	1,700	+34.0%
Others	-3,600	-3,000	-1,800	-1,200	-
Profit before tax	6,213	5,700	1,600	4,100	-8.3%
Profit attributable to owners of parent	3,862	4,000	800	3,200	+3.6%
Forex (Average)	¥149/\$	¥140/\$	¥140/\$	¥140/\$	-

Cash allocation and shareholder returns updates

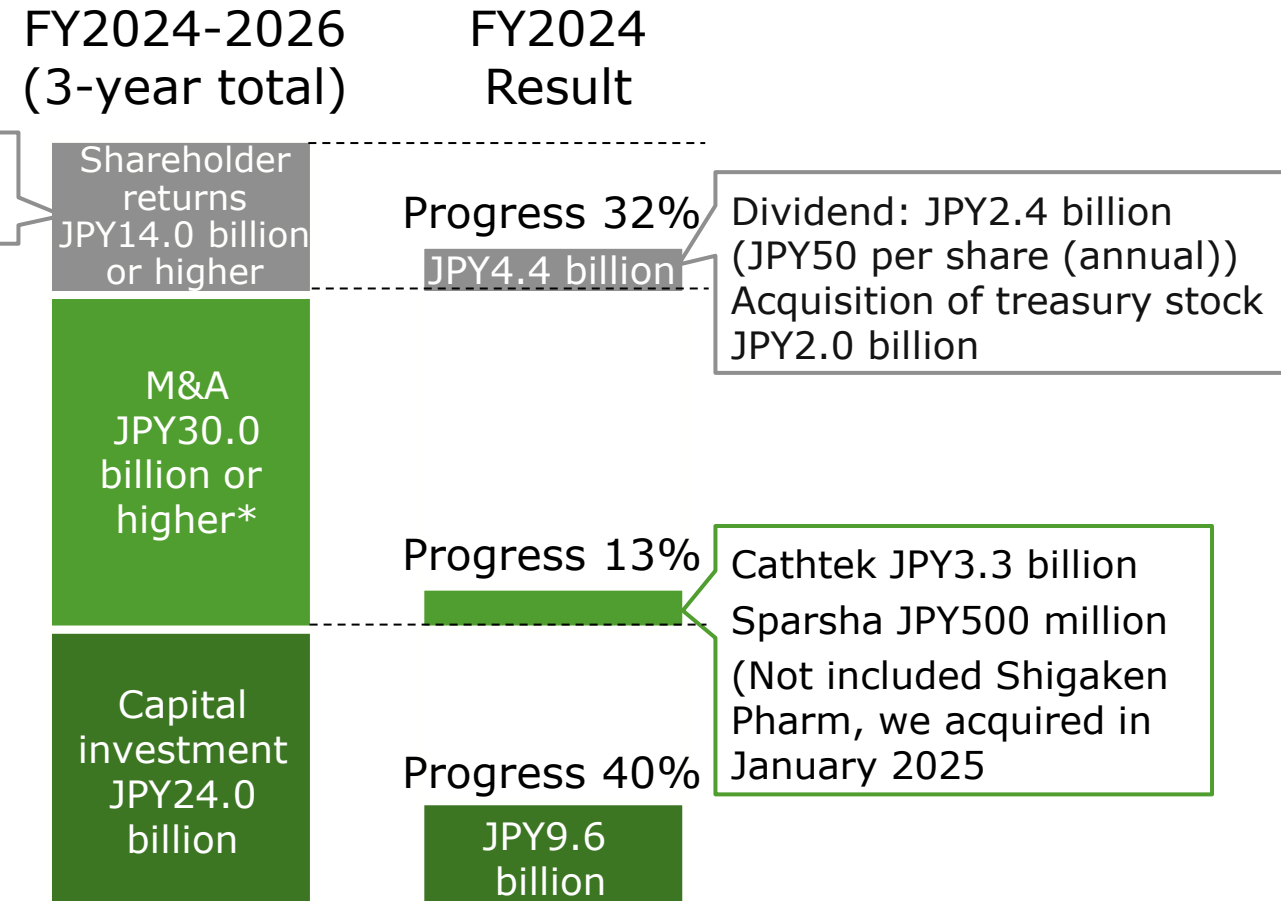
Cash-in



As of February 2024
JPY11.0 billion

Sale of strategic shareholdings:
JPY8.1 billion
Bond issuance:
JPY9.0 billion
Borrowings:
JPY5.0 billion

Cash-out



Dividend: JPY2.4 billion (JPY50 per share (annual))
Acquisition of treasury stock JPY2.0 billion

Cathtek JPY3.3 billion
Sparsha JPY500 million (Not included Shigaken Pharm, we acquired in January 2025)

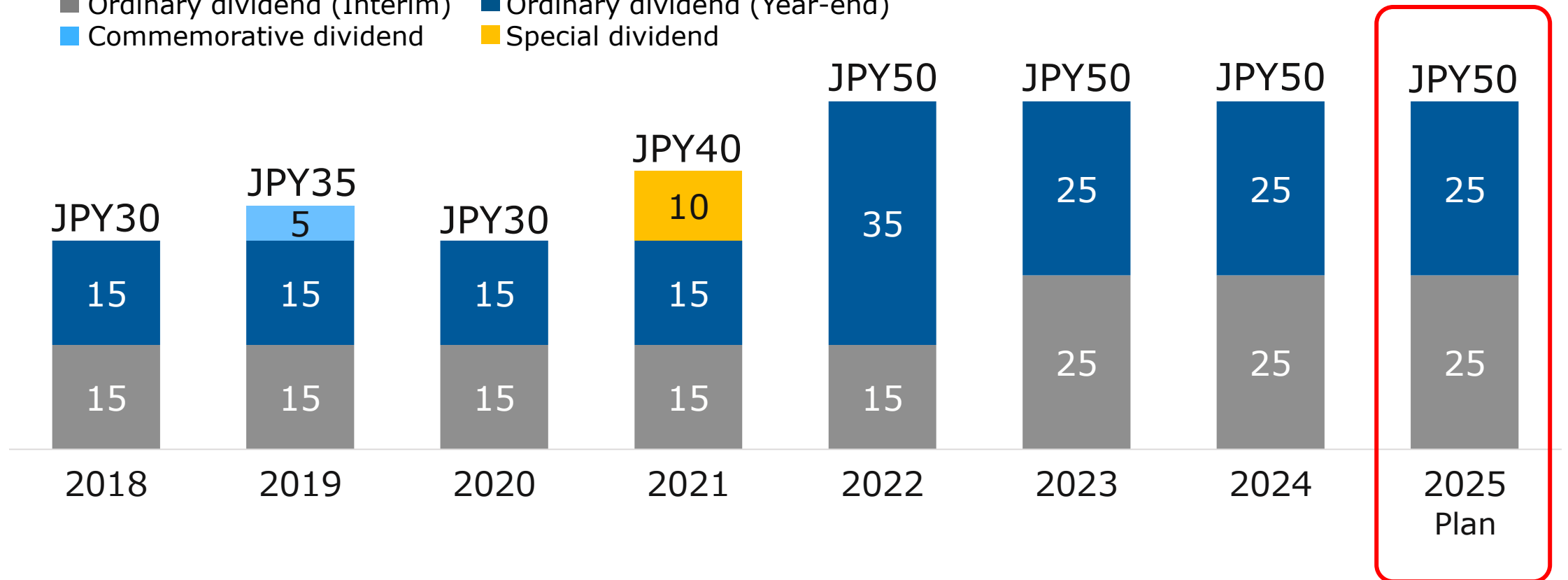
* Not included the acquisition of Isometric LLC

Dividend

- Plan to continue annual dividend of 50 yen per share, looking to medium- to long-term growth

Annual dividends per share

Ordinary dividend (Interim)
 Ordinary dividend (Year-end)
 Commemorative dividend
 Special dividend



Acquisition of treasury stock (2024)

- Reasons for acquisition: To improve shareholder return and capital efficiency

	Acquisition completed	Ongoing
Type of shares to be acquired	Common stock in Nissha Co., Ltd.	Common stock in Nissha Co., Ltd.
Method of acquisition	Market purchase on the Tokyo Stock Exchange	Market purchase on the Tokyo Stock Exchange
The number of shares acquired/to be acquired	501,900 shares (Ratio to the total number of common shares issued (excluding treasury stock): 1.04%)	Up to 600,000 shares (Ratio to the total number of common shares issued (excluding treasury stock): 1.25%)
Total acquisition price of shares	JPY 999,939,700	Up to JPY 1,000,000,000
Share acquisition period	From August 7, 2024 to September 19, 2024	From November 11, 2024 to March 31, 2025

The 8th Medium-term Business Plan

Financial plan

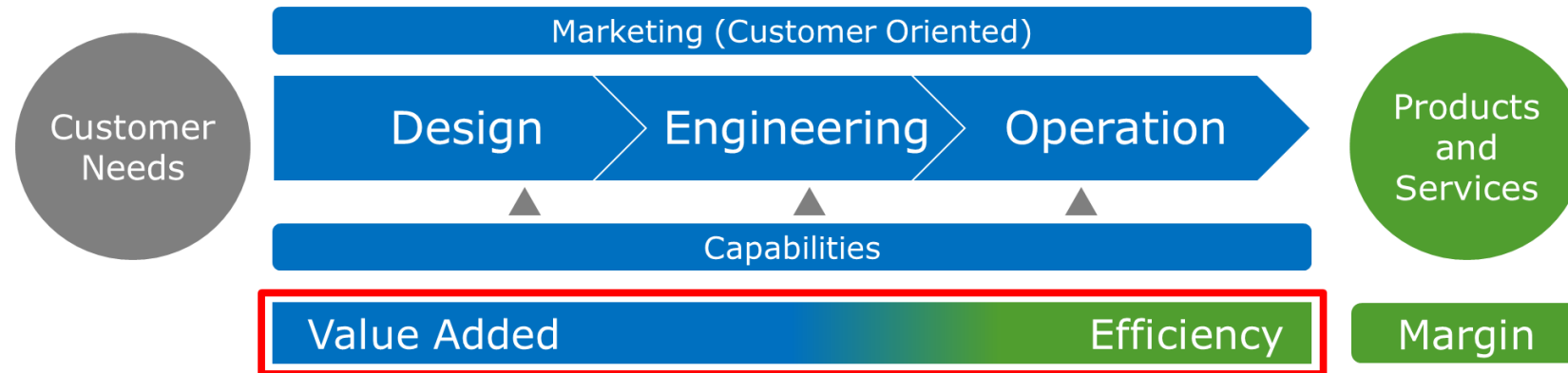
- Operating profit margin of 10% or higher in 3 priority markets of non-IT devices
- Aiming for ROE of 9% or higher

(Millions of JPY)	The 7 th Medium-term Business Plan			The 8 th Medium-term Business Plan			
	2021 Results	2022 Results	2023 Results	2024 Results	2025 Plan	2026 Plan (Not including M&A)* ²	2026 Plan (Including M&A)* ²
ROE	17.6%	9.7%	-2.7%	3.4%	3.5%	✓ 9%+	9%+
Net sales	189,285	193,963	167,726	195,598	190,800	210,000	225,000
Operating profit (Operating profit margin)	17,363 (9.2%)	9,520 (4.9%)	-3,817 (-2.3%)	5,486 (2.8%)	6,600 (3.5%)	15,000 (7.1%)	16,500 (7.3%)
3 priority markets of non-IT devices Operating profit (Operating profit margin)	2,698 (3.6%)	* ¹ 4,096 (4.2%)	* ¹ 3,105 (3.2%)	5,557 (5.1%)	8,300 (7.0%)	✓ 13,000 (10.2%)	14,500 (10.2%)
Forex	¥ 108/\$	¥ 128/\$	¥ 138/\$	¥ 149/\$	¥ 140/\$	¥ 130/\$	¥ 130/\$

Quality, production and digital transformation strategy for profitability

● Operational Excellence

- Enhancing value across the entire value chain



● Transforming operation processes from upstream

- Improving quality and added value at the design and development stages
- Data-oriented design optimization

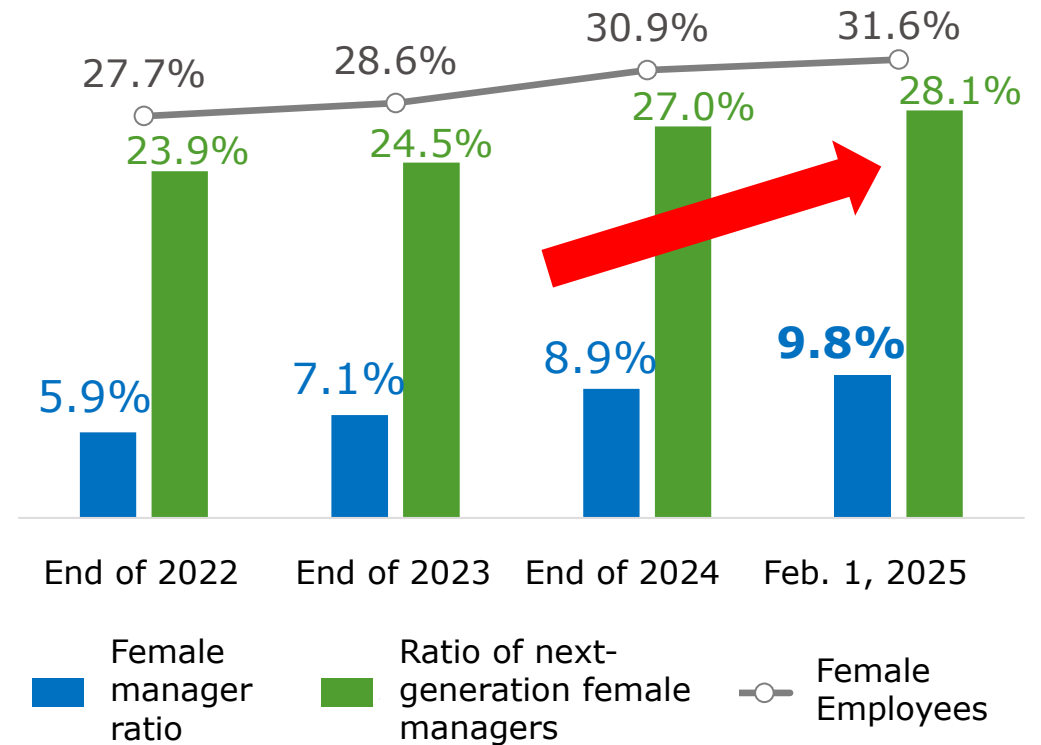
● Pursuit of lean operations

- Global deployment of best practices
- Promoting automation and digital technology in production processes and indirect operations

Human Resources Strategy

- Diverse human resources
 - Female manager ratio (Nissha non-consolidated)

- Human resource development and award program for recognizing achievements
 - Opened Nissha Academy Americas
 - Enhanced talent development for digital technology
 - Providing growth opportunities and recognizing employees who achieve results



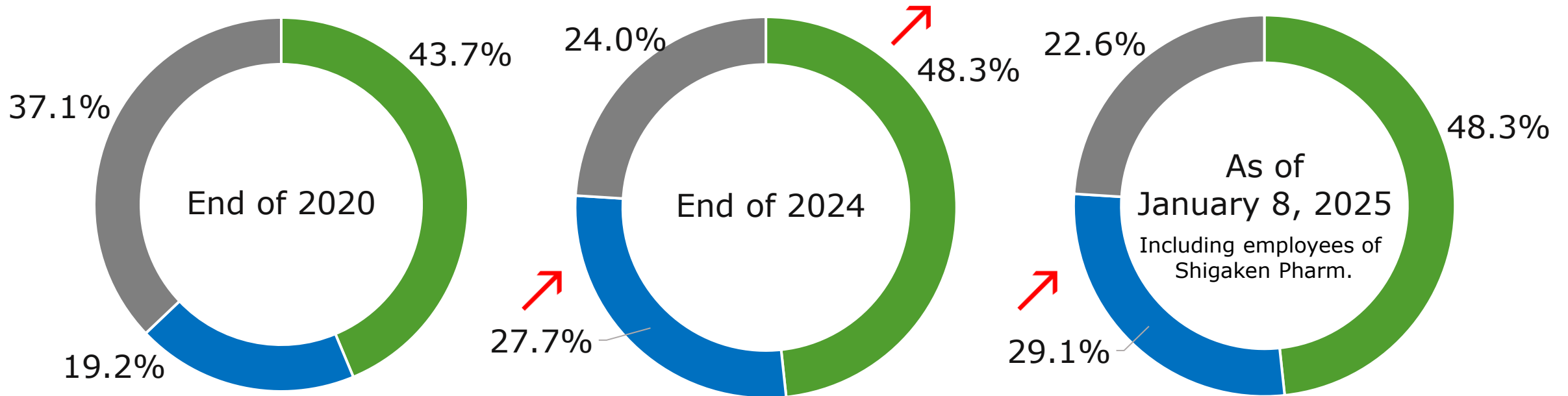
Nissha Academy
Founded in 2013



Nissha Academy
Americas
Opened in January 2025

Human Resources Strategy

- The restructuring of the human resource portfolio has been progressing toward the Sustainability Vision



■ Industrial Materials
 ■ Medical Technologies + pharmaceuticals and cosmetics
■ Devices

Responding to Climate Change

- To reduce CO2 emissions from the Company (Scope 1 and 2)
 - To reduce total CO2 emissions by 30% in 2030 (Compared to 2020)
 - 2024: Approximately 50% Reduction
 - 2025: Setting a new goal and taking efforts in energy efficiency in domestic operations and transitioning to renewable energy in overseas production sites

- To reduce CO2 emissions across the supply chain (Scope 3)
 - CO2 emissions from purchased products and services account for approximately 60% of Scope 3
 - Negotiating with major suppliers to cooperate in reducing CO2 emissions
 - To reduce CO2 emissions from transportation
 - Implementing modal shift (switch a part of transportation to sea transport)



Installation of energy-saving equipment
(Koka City, Shiga Pref.)

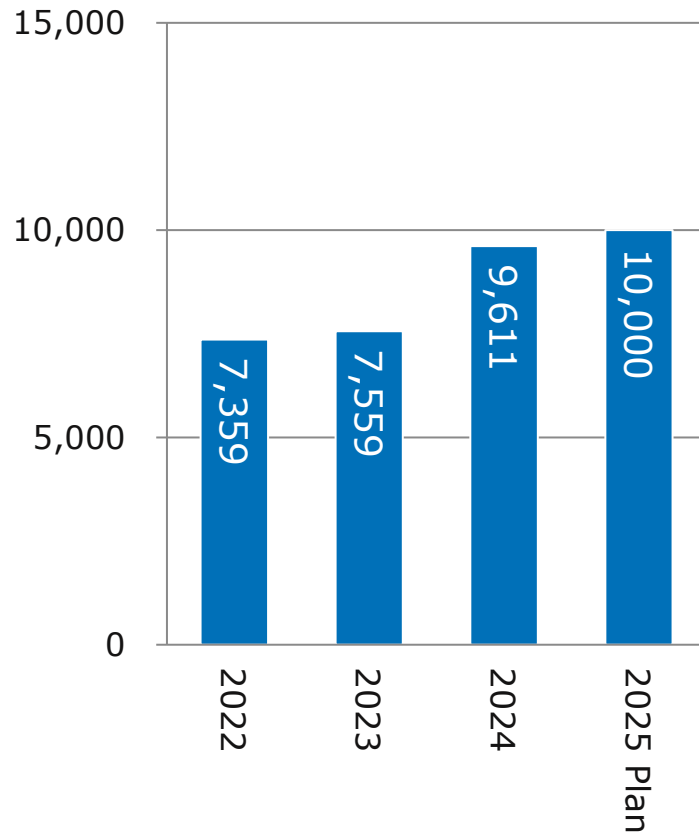


Solar power generation
(Belgium)

Capital investment, Depreciation and amortization, R&D

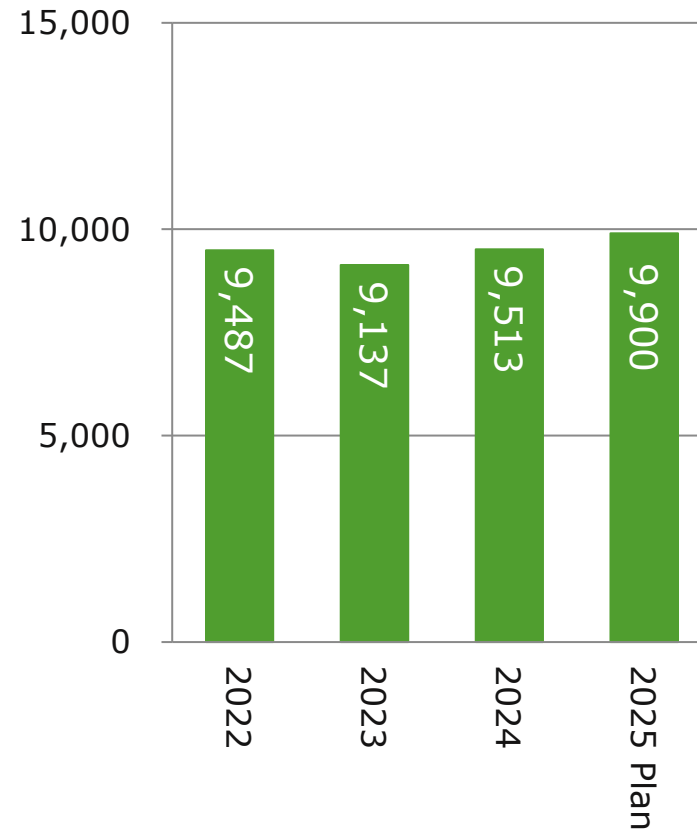
Capital investment

(Millions of JPY)



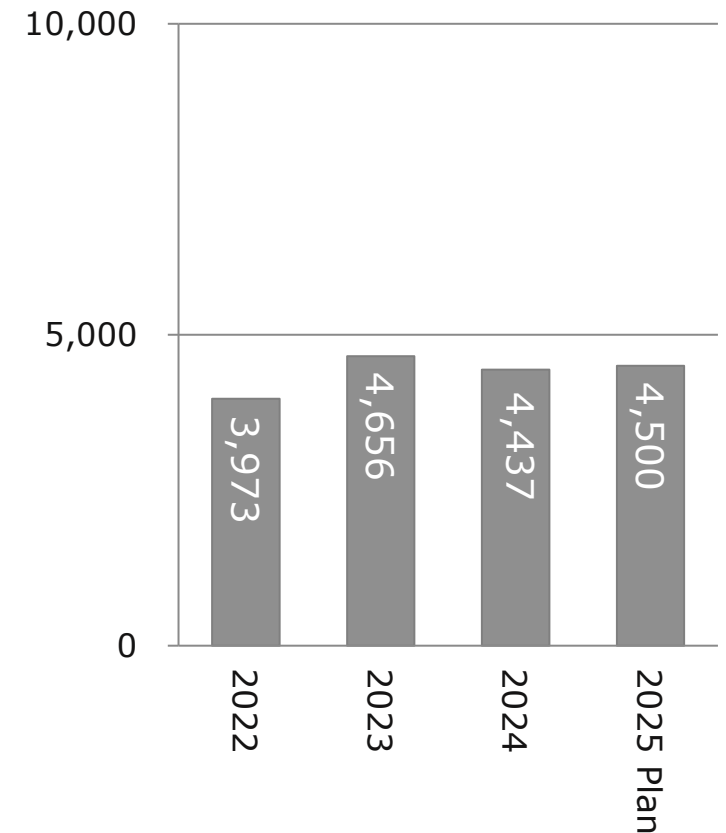
Depreciation and amortization

(Millions of JPY)



R&D

(Millions of JPY)



(Reference)
 Capital investment, Depreciation and amortization,
 M&A investment, R&D (FY2024)

(Millions of JPY)

	Q1 Results	Q2 Results	Q3 Results	Q4 Results
Capital investment	2,043	2,808	2,601	2,158
Depreciation and amortization	2,290	2,512	2,393	2,316
M&A investment	10,158	540	0	3,328
R&D	1,086	1,137	1,071	1,142

Among the information included in this presentation and provided at investor briefings and conferences, performance targets, plans, outlooks, strategies and other information that is not constituted of actual past facts, is information that has been judged reasonable by the managers of the Company based on the information available at the time of its creation and contains elements of risk and uncertainty. Actual business results may differ greatly depending on various factors such as economic trends, market demand, and fluctuations in exchange rates.